

UW-092120 (AT)
12-29-04

The Water Company of Washington, LLC.
PO Box 1
East Olympia, WA 98540
(360) 357-3277

December 2, 2004

Carole J. Washburn
Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
RECORDS MANAGEMENT
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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

**RE: The Water Company of Washington, LLC. - Sale and Transfer
Timberline Village Water Company, Inc.**

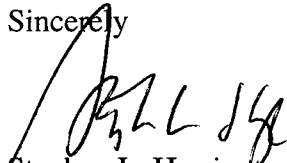
Dear Secretary:

Enclosed you will find the joint application of the above-referenced sale and transfer application to include:

1. Application for transfer,
2. Copy of Instrument of Transfer,
3. The Water Company of Washington, LLC. Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and Summary of outstanding securities,
4. Timberline Village Water Company, Inc.. Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and Summary of outstanding securities,
5. Adoption of Tariff Notice,
6. Customer notice of sale and transfer of water system.

If you have any question, please call me at 360-357-3277

Sincerely


Stephen L. Harrington
General Manager

Enclosures as noted

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

| | | |
|--------------------------------------|---|----------------------|
| In the Matter of the Application for |) | |
| the Sale and Transfer of Assets |) | |
| From |) | DOCKET _____ |
| Timberline Village Water Company, |) | |
| Inc.. |) | |
| To |) | APPLICATION FOR SALE |
| The Water Company of |) | AND TRANSFER OF |
| Washington, LLC. |) | ASSETS AND TARIFF |
| |) | ADOPTION |
| |) | |

.....

BACKGROUND

1 Application is hereby made to the WUTC for an Order authorizing the transfer of property under the provisions of chapter 80.12 RCW and chapter 480-143 WAC.

INTRODUCTION

2 Timberline Village Water Company, Inc.. is a Washington corporation formed to act as a utility service company. The Water Company of Washington, LLC. located in Tumwater, currently owns several water systems serving over 300 customers. The water systems to be transferred consist of wells, pumps, transmission mains, reservoirs, hydrants, distribution mains, meters, and appurtenances to serve the customers of the Timberline Village Water Company, Inc..

3 The water systems are currently operating under a green operating permit issued by the Washington State Department of Health and have no outstanding orders or letters directing action.

4 As a result of this sale and transfer of water system assets, The Water Company of Washington, LLC. will maintain Timberline Village Water Company, Inc. water rates currently in effect and will be adopting the tariff of Timberline Village Water Company, Inc.

EXHIBITS

- 5 Pursuant to WAC 480-143-120 and WAC 480-143-130, please find attached the following exhibits:
- 6 Exhibit 1 – Instrument of Transfer.
- 7 Exhibit 2 – Water Company 1 – Timberline Village Water Company, Inc..
Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and
Summary of outstanding securities.
- 8 Exhibit 3 – Water Company 2 – The Water Company of Washington, LLC.
Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and
Summary of outstanding securities.
- 9 Exhibit 4 – Adoption of Tariff Notice.
- 10 Exhibit 5 – Customer notice of sale and transfer of water system(s).

METHOD OF FINANCE

- 11 There is no purchase price for the water system assets as this sale and transfer is made on a merger basis. The merged assets will be owned pro-rata by the current members of The Water Company of Washington, LLC .

TRANSFER IS IN THE PUBLIC INTEREST

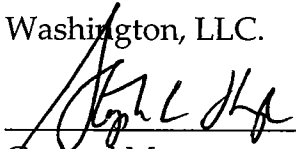
- 12 The benefits of this acquisition of water system assets include expanded financial resources, in-house engineering, and water quality staff to provide all aspects of water system repair and operations. The owners of Timberline Village Water Company, Inc. no longer desire to own and operate public water systems. Customers were notified of the sale and transfer along with their most recent billings. The proposed tariff adoption bears an effective date of January 1, 2005. This date is to coincide with company billing periods and allows a mutually agreed closing date. For accounting purposes the bookkeeping records should be considered transferred and effective on that date.

- 13 The current staff of Timberline Village Water Company, Inc.. has been retained to continue operations and maintenance of the water systems under the leadership of The Water Company of Washington, LLC.
- 14 As a result of the sale and transfer of assets, the water rates and service charges will not change. The Water Company of Washington, LLC. will adopt the full tariff of Timberline Village Water Company, Inc., without change at any rate or charge contained therein as occasioned by this transfer.

PRAYER

- 15 Based on the foregoing, the Applicants request approval of their application respectfully submitted this 1st day of January 2005.

The Water Company of
Inc..
Washington, LLC.



General Manager

Timberline Village Water Company,

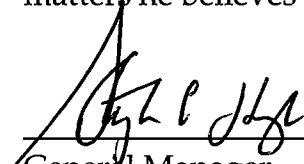


General Manager

FORM OF VERIFICATION FOR APPLICATION

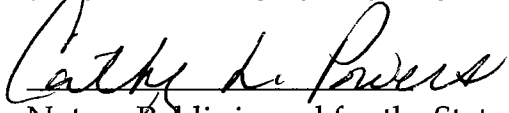
STATE OF WASHINGTON
County of Thurston

Stephen L. Harrington being first duly sworn, deposes and says that he is General Manager of The Water Company of Washington, LLC., the applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge, except as to matter which are therein stated on information or belief, and as to those matters he believes them to be true.



General Manager

Subscribed and sworn to before me the 29th day of November, 2004



Notary Public in and for the State of Washington, residing

At 10900 34th AVE SE haley wa 98503

Adoption Notice

ADOPTION OF TARIFFS, ETC.

THE WATER COMPANY OF WASHINGTON, LLC.

Hereby adopts, ratifies, and makes its own in every respect, as if the same had been originally filed by it, all tariffs, rules, notices, concurrences, provisions, authorities, powers of attorney or whatsoever other instruments filed with the Washington Utilities and Transportation Commission or its predecessors by Timberline Village Water Company, Inc., prior to January 1, 2005, the beginning of its possession. By this notice, it also adopts and ratifies all supplements or amendments to any of the above tariffs, etc., which have heretofore been filed with the Washington Utilities and Transportation Commission or its predecessors.

Tariff Revision Adopted:

WN U - 1

Transfer Authorized

By Order No. _____

Tariff Pages Adopted

1 through 36

Issued November 25, 2004 Effective January 1, 2005

Issued by THE WATER COMPANY OF WASHINGTON, LLC.

By Stephen L. Harrington Title General Manager 

Address 3242 Capitol Blvd., Suite B, Tumwater WA 98501

Timberline Village Water Co Inc
INCOME STATEMENT
TRANSFER OF PROPERTY
For the Period January - September 2004

| Account | No. | Account Name | Water | Other | Total |
|------------------------------------|---------|---------------------------------------|---------------|---------|--------------|
| | (a) | (b) | (c) | (d) | Company |
| | | | | | (e) |
| REVENUES | | | | | |
| 1 | 400 | Operating Revenue Accounts | \$ 64,548.10 | \$ | \$ 64,548.10 |
| 2 | 471 | Miscellaneous Revenue Accounts | | | 0.00 |
| 3 | 474 | Other Revenue Accounts | 1,265.00 | | 1,265.00 |
| 4 | | Utility Operating Revenue | \$ 65,813.10 | \$ 0.00 | \$ 65,813.10 |
| EXPENSES | | | | | |
| 5 | 401 | Operating Expense Accounts | 48,190.97 | | 48,190.97 |
| 6 | 403 | Depreciation Expense | 9,900.00 | | 9,900.00 |
| 7 | 406 | Amortization Expense | | | 0.00 |
| 8 | 408 | Other Tax & License | 3,938.53 | | 3,938.53 |
| 9 | 409 | Income Taxes | | | 0.00 |
| 10 | | Utility Operating Expense | \$ 62,029.50 | \$ 0.00 | \$ 62,029.50 |
| 11 | | Utility Operating Income (Loss) | \$ 3,783.60 | \$ 0.00 | \$ 3,783.60 |
| OTHER INCOME AND DEDUCTIONS | | | | | |
| Other Income: | | | | | |
| 12 | 414 | Gain (Loss) From Disposition Of Plant | | | 0.00 |
| 13 | 415-416 | Jobbing and Contract Work | | | 0.00 |
| 14 | 419 | Interest & Dividend Income | | | 0.00 |
| 15 | 421 | Nonutility Income | | | 0.00 |
| 16 | | Total Other Income | \$ 0.00 | 0.00 | 0.00 |
| Other Deductions: | | | | | |
| 17 | 426 | Miscellaneous Nonutility Expenses | | | 0.00 |
| 18 | 427 | Interest Expense | (1,583.07) | | (1,583.07) |
| 19 | 433 | Extraordinary Income/Deduction | | | 0.00 |
| 20 | | Total Other Deductions | \$ (1,583.07) | 0.00 | (1,583.07) |
| 21 | | Net Income (Loss) | \$ 2,200.53 | \$ 0.00 | \$ 2,200.53 |

Timberline Village Water Co Inc
COMPARATIVE BALANCE SHEET
TRANSFER OF PROPERTY
As of September 30, 2004

| Account No. (a) | Account Name (b) | PRIOR TO TRANSFER (c) | AFTER TRANSFER (d) |
|--|--|-----------------------------|--------------------------|
| ASSETS: | | | |
| 1 | 101-105 Utility Plant | \$ 161,795.50 | \$ _____ |
| 2 | 108 Less: Accumulated Depreciation | 76,312.00 | _____ |
| 3 | 110 Accumulated Amortization | _____ | _____ |
| 4 | 114 Utility Plant Acquisition Adjustment | _____ | _____ |
| 5 | Net Utility Plant | \$ 85,483.50 | \$ _____ |
| 6 | 124 Utility Investments | _____ | _____ |
| 7 | 127 Special funds (Surcharges, Facility Charges) | _____ | _____ |
| 8 | 131 Cash | 2,415.17 | _____ |
| 9 | 141 Customer Accounts Receivable | (147.62) | _____ |
| 10 | 151 Plant Materials and Supplies | _____ | _____ |
| 11 | 162 Prepayments | 1,260.00 | _____ |
| 12 | 186 Other Deferred Debits | 400.00 | _____ |
| 13 | Other Assets (Specify) _____ | _____ | _____ |
| 14 | Total Assets | \$ 89,411.05 | \$ _____ |
| EQUITY CAPITAL AND LIABILITIES: | | | |
| 15 | 201-204 Capital Stock Issued | \$ _____ | \$ _____ |
| 16 | 211 Other Paid In Capital | 71,087.81 | _____ |
| 17 | 214-215 Retained Earnings | (82,270.49) | _____ |
| 18 | 218 Proprietary Capital | _____ | _____ |
| 19 | Total Equity Capital | \$ (11,182.68) | \$ _____ |
| 20 | 224 Long-Term Debt | 37,103.94 | _____ |
| 21 | 231 Accounts Payable | 54,945.22 | _____ |
| 22 | 232 Notes Payable | _____ | _____ |
| 23 | 235 Customer Deposits | _____ | _____ |
| 24 | 236 Accrued Taxes | 2,044.57 | _____ |
| 25 | 253 Other Deferred Credits | _____ | _____ |
| 26 | 265 Miscellaneous Operating Reserves | _____ | _____ |
| 27 | 271 Contributions In Aid Of Construction (CIAC) | _____ | _____ |
| 28 | 272 Less: Accumulated Amortization Of CIAC | _____ | _____ |
| 29 | Other Liabilities (Specify) _____ | 6,500.00 | _____ |
| 30 | Total Liabilities | \$ 100,593.73 | \$ _____ |
| 31 | Total Equity Capital and Liabilities | \$ 89,411.05 | \$ _____ |

Timberline Village Water Co Inc
WATER UTILITY PLANT (101-105)
TRANSFER OF PROPERTY
As of September 30, 2004

| Account | | Balance | | | Balance |
|---------|---------------------------------------|---------------|-----------|-------------|---------------|
| No. | Account Name | PRIOR TO | Additions | Retirements | AFTER |
| (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 301 Organization | \$ | \$ | \$ | \$ 0.00 |
| 2 | 302 Franchises | | | | 0.00 |
| 3 | 303 Land and Water Rights | | | | 0.00 |
| 4 | 304 Structures and Improvements | 93,748.00 | | | 93,748.00 |
| 5 | 305 Tanks and Reservoirs | | | | 0.00 |
| 6 | 306 Lake, River and other intakes | | | | 0.00 |
| 7 | 307 Wells and Springs | | | | 0.00 |
| 8 | 309 Supply Mains | 13,756.93 | | | 13,756.93 |
| 9 | 310 Power Generation Equipment | | | | 0.00 |
| 10 | 311 Pumping Equipment | 54,290.57 | | | 54,290.57 |
| 11 | 320 Water Treatment Equipment | | | | 0.00 |
| 12 | 330 Reservoirs and Standpipes | | | | 0.00 |
| 13 | 331 Transmission / Distribution Mains | | | | 0.00 |
| 14 | 333 Services | | | | 0.00 |
| 15 | 334 Meters and Meter Installation | | | | 0.00 |
| 16 | 335 Hydrants | | | | 0.00 |
| 17 | 339 Other Plant and Misc Equipment | | | | 0.00 |
| 18 | 340 Office Furniture and Equipment | | | | 0.00 |
| 19 | 341 Transportation Equipment | | | | 0.00 |
| 20 | 343 Tools and Equipment | | | | 0.00 |
| 21 | 345 Power Operated Equipment | | | | 0.00 |
| 22 | 348 Other Tangible Plant | | | | 0.00 |
| | Water System Plan | | | | 0.00 |
| 23 | 101 Utility Plant Total | \$ 161,795.50 | \$ 0.00 | \$ 0.00 | \$ 161,795.50 |

Timberline Village Water Co Inc
ACCUMULATED DEPRECIATION OF NON-CONTRIBUTED PLANT
TRANSFER OF PROPERTY
As of September 30, 2004

| Account No. (a) | Account Name (b) | Company Service Life (c) | Accumulated Balance PRIOR TO Transfer (d) | Additions (e) | Retirements (f) | Yearly Depreciation (g) | Accumulated Balance AFTER Transfer (h) |
|-----------------|---------------------------------------|--------------------------|---|---------------|-----------------|-------------------------|--|
| 1 | 301 Organization | xxx | \$ | \$ | \$ | xxx | \$ 0.00 |
| 2 | 302 Franchises | xxx | | | | xxx | 0.00 |
| 3 | 303 Land and Water Rights | xxx | | | | xxx | 0.00 |
| 4 | 304 Structures and Improvements | xxx | 65,859.00 | | | xxx | 65,859.00 |
| 5 | 305 Tanks and Reservoirs | xxx | | | | xxx | 0.00 |
| 6 | 306 Lake, River and other intakes | xxx | | | | xxx | 0.00 |
| 7 | 307 Wells and Springs | xxx | | | | xxx | 0.00 |
| 8 | 309 Supply Mains | xxx | 4,038.00 | | | xxx | 4,038.00 |
| 9 | 310 Power Generation Equipment | xxx | | | | xxx | 0.00 |
| 10 | 311 Pumping Equipment | xxx | 6,415.00 | | | xxx | 6,415.00 |
| 11 | 320 Water Treatment Equipment | xxx | | | | xxx | 0.00 |
| 12 | 330 Reservoirs and Standpipes | xxx | | | | xxx | 0.00 |
| 13 | 331 Transmission / Distribution Mains | xxx | | | | xxx | 0.00 |
| 14 | 333 Services | xxx | | | | xxx | 0.00 |
| 15 | 334 Meters and Meter Installation | xxx | | | | xxx | 0.00 |
| 16 | 335 Hydrants | xxx | | | | xxx | 0.00 |
| 17 | 339 Other Plant and Misc Equipment | xxx | | | | xxx | 0.00 |
| 18 | 340 Office Furniture and Equipment | xxx | | | | xxx | 0.00 |
| 19 | 341 Transportation Equipment | xxx | | | | xxx | 0.00 |
| 20 | 343 Tools and Equipment | xxx | | | | xxx | 0.00 |
| 21 | 345 Power Operated Equipment | xxx | | | | xxx | 0.00 |
| 22 | 348 Other Tangible Plant | xxx | | | | xxx | 0.00 |
| | Water System Plan | xxx | | | | xxx | 0.00 |
| 23 | 101 Utility Plant Total | | \$ 76,312.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 76,312.00 |

The Water Company of Washington, LLC
 COMPARATIVE BALANCE SHEET
 TRANSFER OF PROPERTY
 As of September 30, 2004

| Account | | PRIOR TO | AFTER |
|---------------------------------|--|----------------------|------------------------|
| No. | Account Name | TRANSFER | TRANSFER |
| (a) | (b) | (c) | (d) |
| ASSETS: | | | |
| 1 | 101-105 Utility Plant | \$ 308,134.35 | \$ 3,981,591.73 |
| 2 | 108 Less: Accumulated Depreciation | <u>56,833.00</u> | <u>1,377,488.92</u> |
| 3 | 110 Accumulated Amortization | <u></u> | <u>3,967.00</u> |
| 4 | 114 Utility Plant Acquisition Adjustment | <u></u> | <u>(72,838.70)</u> |
| 5 | Net Utility Plant | \$ <u>251,301.35</u> | \$ <u>2,527,297.11</u> |
| 6 | 124 Utility Investments | <u></u> | <u>0.00</u> |
| 7 | 127 Special funds (Surcharges, Facility Charges) | <u></u> | <u>21,663.80</u> |
| 8 | 131 Cash | <u>26,151.93</u> | <u>70,374.10</u> |
| 9 | 141 Customer Accounts Receivable | <u>4,890.16</u> | <u>80,408.47</u> |
| 10 | 151 Plant Materials and Supplies | <u></u> | <u>0.00</u> |
| 11 | 162 Prepayments | <u>1,062.00</u> | <u>9,221.50</u> |
| 12 | 186 Other Deferred Debits | <u></u> | <u>19,133.00</u> |
| 13 | Other Assets (Specify) | <u>11,863.00</u> | <u>38,546.61</u> |
| 14 | Total Assets | \$ <u>295,268.44</u> | \$ <u>2,766,644.59</u> |
| EQUITY CAPITAL AND LIABILITIES: | | | |
| 15 | 201-204 Capital Stock Issued | \$ <u></u> | \$ <u>156,004.00</u> |
| 16 | 211 Other Paid In Capital | <u></u> | <u>198,592.47</u> |
| 17 | 214-215 Retained Earnings | <u></u> | <u>14,572.76</u> |
| 18 | 218 Proprietary Capital | <u>66,230.35</u> | <u>171,599.26</u> |
| 19 | Total Equity Capital | \$ <u>66,230.35</u> | \$ <u>540,768.49</u> |
| 20 | 224 Long-Term Debt | <u>216,422.34</u> | <u>1,752,434.40</u> |
| 21 | 231 Accounts Payable | <u>5,365.46</u> | <u>107,622.73</u> |
| 22 | 232 Notes Payable | <u></u> | <u>30,000.00</u> |
| 23 | 235 Customer Deposits | <u></u> | <u>0.00</u> |
| 24 | 236 Accrued Taxes | <u>4,730.29</u> | <u>31,086.43</u> |
| 25 | 253 Other Deferred Credits | <u></u> | <u>1,668.00</u> |
| 26 | 265 Miscellaneous Operating Reserves | <u></u> | <u>0.00</u> |
| 27 | 271 Contributions In Aid Of Construction (CIAC) | <u></u> | <u>329,085.45</u> |
| 28 | 272 Less: Accumulated Amortization Of CIAC | <u></u> | <u>(35,620.91)</u> |
| 29 | Other Liabilities (Specify) Other Payables | <u>2,520.00</u> | <u>9,600.00</u> |
| 30 | Total Liabilities | \$ <u>229,038.09</u> | \$ <u>2,225,876.10</u> |
| 31 | Total Equity Capital and Liabilities | \$ <u>295,268.44</u> | \$ <u>2,766,644.59</u> |

**TIMBERLINE VILLAGE WATER COMPANY, INC.
3242 Capitol Blvd S, Suite B
Tumwater, WA 98501
(360) 357-3277**

November 29, 2004

IMPORTANT NOTICE

The Water Company of Washington LLC, has requested permission from the Washington Utilities and Transportation Commission (WUTC) for the transfer of ownership and operation of the Meadows Water System, LLC water company.

This transfer of ownership is being completed to allow The Water Company of Washington LLC to consolidate what had been seven separate regulated companies and one unregulated company into one, more manageable company. The Water Company of Washington was formed three years ago to allow us to own and operate several water companies and systems. This sale and transfer should be transparent to you our valued customer. We will continue to use the same phone number, office staff, field staff, and extension array of water specialty equipment to serve you and other customers. The proposed effective date of this transfer, if approved, would be January 1, 2005.

The Meadows Water System LLC will no longer own or operate a regulated water system and has asked permission to be deregulated.

Your **current water rates, charges, and services will not change** because of this water system sale and transfer. Any future changes will be the responsibility of The Water Company of Washington LLC.

If you have any questions about how this merger/sale may affect you, please call:

The Water Company of Washington LLC
PO Box 1
East Olympia, WA 98540
360-357-3277 or toll free 1- (888) 357-3276

If you have questions about the transfer process and deregulation of the former company you may contact the WUTC at the following address:

Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250
1-800-562-6150 or comments@wutc.wa.gov

Only written comments or comments presented at an open meeting to the WUTC may become part of the record.